

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

**BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY
DELIVERY NEW ENGLAND**

D.T.E. 03-40

ATTORNEY GENERAL'S EIGHTEENTH SET OF
DOCUMENT AND INFORMATION REQUESTS

- AG 18-1. Please produce results of the cost study, with the Northeast variables replaced with a variable representing utilities in the New York metropolitan region. The dummy should have a variable of one only for the following utilities: Brooklyn Union, Connecticut Energy, Connecticut Natural Gas and Consolidated Edison. All other variables should remain the same as those in Table 2 of Exh. KEDNE/LRK-3.
- AG 18-2 Referring to p. 18 of the appendix of Exh. KEDNE/LRK-3, please provide workpapers detailing the development of the capital quantity index.
- AG 18-3 Referring to p. 18 of the appendix of Exh. KEDNE/LRK-3, was the capital quantity index developed from a total value of plant, with a single adjustment, or by plant account?
- AG 18-4 Referring to p. 18 of the appendix of Exh. KEDNE/LRK-3, please provide a detailed example showing how the “triangularized” weighted average is computed. Provide the weights used for each utility in the cost study, by year.
- AG 18-5 Referring to p. 18 of the appendix of Exh. KEDNE/LRK-3, what is meant by “the lifetime” of plant? Is this the expected remaining life, or something else. How was this “lifetime” computed?
- AG 18-6 Referring to p. 18 of the appendix of Exh. KEDNE/LRK-3, please provide a table showing, for each of the 43 utilities in the study, the benchmark year value of plant, the “lifetime” of plant, and the final capital quantity index.
- AG 18-7 Please produce results of a cost study which includes as a variable the average age of plant of each utility, in addition to the variables included in the equation summarized on Table 2 of Exh. KEDNE/LRK-3 .

- AG 18-8 If not provided elsewhere, please provide for 2000, the total number of customers, the total number of residential customers, and the total miles of main for each utility included in the cost study.
- AG 18-9 Referring to p. 21 of the appendix of Exh. KEDNE/LRK-3, is the last paragraph equivalent to saying that the model assumes that the sum of the elasticities between cost and inputs must equal one, or is assumed to equal one. If it means something else, please explain. What is the basis for this assumption? Is there any evidence that in this type of cost study the sum of the elasticities does equal one?
- AG 18-10 How did PEG identify labor costs as “gas delivery” rather than any other functions? Was all administrative and general labor included in gas delivery labor costs?
- AG 18-11 What cost accounts were considered gas production and procurement expenses, and excluded from “other O&M”? If excluded costs included any portions of accounts, please explain how costs were identified as delivery or production or transmission.

May 30, 2003